
State of California
Department of Technology
Information Technology
Cost Report

Preparation Instructions

**Statewide Information Management Manual –
Section 55 A**

January 2017

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Overview

Government Code Section 11546.2 and the State Administrative Manual (SAM) [Section 4903.2](#) require that, each year as instructed by the California Department of Technology (CDT), each Agency/state entity must summarize its actual and projected information technology (IT) costs in a format defined by the CDT. IT costs of the Agency/state entity are to be summarized in the IT Cost Report (ITCR) workbook [SIMM 55B](#) and submitted to the CDT by February 1 of each year. Additionally, Government Code Section 11536.2 was recently amended (AB 2623, Gordon; Ch. 389, Stats. 2016) to direct each Agency/state entity on or before January 1, 2018, and annually thereafter, to submit, as instructed and in a format prescribed by CDT, a summary of its actual and projected information security costs, including, but not limited to, personnel, for the immediately preceding fiscal year and current fiscal year, showing current expenses and projected expenses for the current fiscal year, in order to capture statewide information security expenditures, including the expenditure of federal grant funds for information security purposes.

IT Cost Definition

Report the requested information according to the definition below.

Information Technology includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, and networking and telecommunications.

SIMM 55B Worksheet Clarifications

- ✓ Report data for two fiscal years, consisting of the Past-Year Actual, and Current-Year Estimated.
- ✓ Round costs to the nearest \$100 and report costs in \$1,000 increments. For example, \$49,325 should be reported as \$49.3.
- ✓ Round personnel years (PYs) to the nearest one-tenth full-time equivalent (FTE).
- ✓ Report the budgeted amount for personnel costs. State personnel costs shall include salary, salary-driven benefits and nonsalary-driven benefits.
- ✓ IT security costs are a subset of the overall category spend. For example, if \$100 is reported in “1. Software” and \$5 is reported in the subcategory “a. IT Security” the total for this category is \$100. The \$100 figure includes IT security costs, the total should NOT equal \$105.
- ✓ Use the separate *Comments* sheet to clarify any of the figures, for example if it is important to note specific assumptions used in a particular cost category. Comments are optional. However, if comments are provided, please indicate which cost item(s) are being referenced.

- ✓ Federal Grant Funds - For all of individual data items on the Information Technology Cost Report, beginning with FY17-18 identify in column J any expenditures that are from Federal Grant Funds.

General Category Definitions

1. New

The purchase of a new goods or services in the fiscal year reported. This would include the first year of a multi-year lease that includes maintenance, refresh and upgrades.

2. Renewal/Maintenance

Continuing payment on an existing goods or services (i.e. contract) in the fiscal year reported. This would include the second year and thereafter of a multi-year lease that includes maintenance.

3. Federal Grant Funds (IT Security Only)

For all of the individual data items on the Information Technology Cost Report, beginning with FY17-18, identify in column J any information security expenditures that are from Federal Grant Funds.

SIMM 55 B Instructions

The following instructions should be used to complete the individual data items on the Information Technology Cost Report worksheet. (Note: The item numbers following, below, correspond with item numbers on the worksheets.)

1. Software

Report costs associated with computer software that operate on all types of hardware. This includes new software, maintenance, support, rental/lease and subscription services. Types of software that need to be reported include, but are not limited to: Productivity Suite, Database, Website Development, Email/Electronic Messaging, Security, Application Development Tools, Middleware, GIS, etc.

a. IT Security (Subset of overall Software costs)

Report annual license and maintenance costs associated with new purchases and upgrades, for all software dedicated to managing the security system applications. Examples include endpoint security suites, identity and access management software, firewall software, end-user encryption software, URL/content filtering and anti-virus software.

2. Hardware

Report costs associated with computer hardware and components. This includes new hardware, maintenance, support or repair. The types of hardware that need to be reported include, but are not limited to the following: PC Desktop, Laptop, Printer/Scanner/Multi-Function devices, Servers, Storage, etc.

a. IT Security (Subset of overall Hardware costs)

Report hardware annual expense, lease, maintenance and installation for all dedicated hardware assets utilized in support of security operations. Examples include firewalls, security gateways, security appliances and ID tokens, proxy servers and email/web security gateways.

3. Services/Consulting

Report costs for contract services for needs which require additional knowledge or resources and also includes commercial contracts and independent assessments. Costs should include all External, Internal, and OTech Data Center contracts.

a. IT Security Contractor Personnel (Subset of overall Services/Consulting)

Report the cost of contracted personnel who perform security related duties on premises such as network monitoring, security hardware or software maintenance, patching, or other security related duties.

b. IT Security Training Subset of overall Services/Consulting)

Report the cost of specific security training (non-departmental), other than the annual all employee security awareness training, on specific security topics such as ethical hacking, network security, security essentials, network penetration, or professional security certifications.

c. IT Security Services (Subset of overall Services/Consulting)

Report the cost of outsource services such as monitoring or managing of security devices, remote or subscription-based monitoring, management of firewalls and/or intrusion detection and prevention, advisory services that help analyze and improve security strategy and operations, security consulting, and security advisory services.

d. IT Security Consulting (Subset of overall Services/Consulting)

Report the cost of consulting services used for purposes such as developing a departmental security plan, advisory services that help analyze and improve security operations, or consulting to develop security technology strategies and implementation.

4. Network

Report costs associated with wiring, cabling, equipment, and communication network lines to provide video and data connectivity services across local and large geographical areas. This includes new, maintenance, support, repair, rentals and/or leases for network connectivity. The types of network that need to be reported include, but are not limited to the following: Network Equipment, Wireless Network Equipment, Switches/Routers, Point-to-Point Data Circuit, etc.

a. IT Security (Subset of overall Network costs)

Report the cost of protecting networks from attack and subsequent intrusion such as devices that restrict network traffic and security at network perimeter and zones, network access control (NAC), certificate management for website access and DDoS (Distributed Denial of Service) prevention/mitigation.

5. Telecommunications

Report costs associated with operating telephone systems within State buildings and offices. This includes new, maintenance, repair and rental fees for telecommunication services. The types of telecommunications that need to be reported include, but are not limited to the following: Telephone Equipment, Devices, Services, Mobile/2-way devices, Public Address Systems, Closed Circuit Television, etc.

a. IT Security (Subset of overall Telecommunications costs)

Report of the costs of activities related to ensuring telecom network privacy and protecting telecom infrastructure, including password resets and the implementation of tools, processes and procedures to prevent telecom attacks and/or ensure recovery.

6. Personnel Years

Report the budgeted personnel years number and cost for each fiscal year.

a. IT Security (Subset of overall Personnel Years costs)

Report of estimated costs for personnel whose roles and duties are specifically supporting information security activities such as security operations and infrastructure, incident management, analysis and remediation, and security compliance (fractional units may be provided).

7. Mobile Phones

Report the total number and costs associated with mobile phones. A mobile phone (includes both cell phones and smartphones) is a device that can make and receive telephone calls over a cellular network. Mobile phones include smartphone devices which are computing devices that provides advanced computing capability and connectivity, and runs a complete operating system and platform for application developers and users to install and run more advanced applications. Smartphones currently include, but are not limited to models using the Android, iOS, Blackberry OS, and Windows Phone operating systems.

Form Submission

The Information Technology Costs Report must be attached to a transmittal document (see [SIMM 55C](#)) which MUST be **signed by the following**:

1. The Agency/state entity Chief Information Officer (CIO);
2. The Agency/state entity Budget Officer;
3. The Agency/state entity Director; and
4. The Agency Information Officer (AIO) or designee.

The SIMM 55 documents should be submitted to the Department of Technology through the CIO Project Oversight email address at: (ProjectOversight@state.ca.gov). The Information Technology Cost Report Template shall be submitted electronically in an Excel workbook file (2003 or later) with the signed transmittal letter (as a scanned PDF). Please use the following naming convention in saving the file:

Org Code_Department Acronym_ITCostReport_FY20xx-xx
(e.g. *8860_DOF_ITCostReport_FY20xx-xx.xls*).

Questions related to transmittal requirements should be directed to your Agency/state entity's Department of Technology Oversight Manager; assignments can be found at:
http://www.cio.ca.gov/Contact_Us/staff_assignments.html.